

**BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

**In the Matter of the Accusation)
Against:)**

JOHN COMPAGNO, M.D.)

Case No. 8002017033830

**Physician's and Surgeon's)
Certificate No. G38126)**

Respondent)

DECISION

The attached Stipulated Surrender of License and Order is hereby adopted as the Decision and Order of the Medical Board of California, Department of Consumer Affairs, State of California.

This Decision shall become effective at 5:00 p.m. on March 27, 2018.

IT IS SO ORDERED March 20, 2018.

MEDICAL BOARD OF CALIFORNIA

**By: Kimberly Kirchmeyer
Kimberly Kirchmeyer
Executive Director**

1 XAVIER BECERRA
Attorney General of California
2 JANE ZACK SIMON
Supervising Deputy Attorney General
3 KEITH C. SHAW
Deputy Attorney General
4 State Bar No. 227029
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5 San Francisco, CA 94102-7004
Telephone: (415) 703-5385
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Attorneys for Complainant

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8 **BEFORE THE**
MEDICAL BOARD OF CALIFORNIA
9 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

10 In the Matter of the Accusation Against:

Case No. 800-2017-033830

11 **JOHN COMPAGNO, M.D.**

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

12 712 Alfred Nobel Dr.
13 Hercules, CA 94547

14 **Physician's and Surgeon's Certificate No.**
15 **G38126.**

16 Respondent.

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 **PARTIES**

21 1. Kimberly Kirchmeyer (Complainant) is the Executive Director of the Medical Board
22 of California (Board). She brought this action solely in her official capacity and is represented in
23 this matter by Xavier Becerra, Attorney General of the State of California, by Keith C. Shaw,
24 Deputy Attorney General.

25 2. Respondent John Compagno, M.D. (Respondent) is represented in this proceeding by
26 attorney Doron Weinberg, Esq., 523 Octavia Street, San Francisco. CA 94102.

27 3. On or about September 25, 1978, the Medical Board issued Physician's and Surgeon's
28 Certificate Number G 38126 to Respondent John Compagno, M.D. The Physician's and

1 Surgeon's Certificate was in full force and effect at all times relevant to the charges brought
2 herein and will expire on July 31, 2018, unless renewed.

3 JURISDICTION

4 4. Accusation No. 800-2017-033830 was filed before the Medical Board of California
5 (Board), Department of Consumer Affairs, and is currently pending against Respondent. The
6 Accusation and all other statutorily required documents were properly served on Respondent on
7 September 20, 2017.. Respondent timely filed his Notice of Defense contesting the Accusation.
8 A copy of Accusation No. 800-2017-033830 is attached as Exhibit A and incorporated herein by
9 reference.

10 ADVISEMENT AND WAIVERS

11 5. Respondent has carefully read, fully discussed with counsel, and understands the
12 charges and allegations in Accusation No. 800-2017-033830. Respondent has also carefully read,
13 fully discussed with counsel, and understands the effects of this Stipulated Surrender of License
14 and Order.

15 6. Respondent is fully aware of his legal rights in this matter, including the right to a
16 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
17 the witnesses against him; the right to present evidence and to testify on his own behalf; the right
18 to the issuance of subpoenas to compel the attendance of witnesses and the production of
19 documents; the right to reconsideration and court review of an adverse decision; and all other
20 rights accorded by the California Administrative Procedure Act and other applicable laws.

21 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
22 every right set forth above.

23 CULPABILITY

24 8. Respondent understands and agrees that the charges and allegations in Accusation
25 No. 800-2017-033830, if proven at a hearing, constitute cause for imposing discipline upon his
26 Physician's and Surgeon's Certificate.

27 9. For the purpose of resolving the Accusation without the expense and uncertainty of
28 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual

1 basis for the charges in the Accusation, and that Respondent hereby gives up his right to contest
2 those charges.

3 10. Respondent understands that by signing this stipulation he enables the Board to issue
4 an order accepting the surrender of his Physician's and Surgeon's Certificate without further
5 process.

6 CONTINGENCY

7 11. This stipulation shall be subject to approval by the Medical Board of California.
8 Respondent, acting through his attorney, understands and agrees that counsel for Complainant
9 and the staff of the Medical Board of California may communicate directly with the Board
10 regarding this stipulation and surrender, without notice to or participation by Respondent or his
11 attorney. By signing the stipulation, Respondent, acting through his attorney, understands and
12 agrees that he may not withdraw his agreement or seek to rescind the stipulation prior to the time
13 the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision
14 and Order, the Stipulated Surrender and Order shall be of no force or effect, except for this
15 paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not
16 be disqualified from further action by having considered this matter.

17 11. The parties understand and agree that facsimile copies of this Stipulated Surrender of
18 License and Order, including facsimile signatures thereto, shall have the same force and effect as
19 the originals.

20 12. In consideration of the foregoing admissions and stipulations, the parties agree that
21 the Board may, without further notice or formal proceeding, issue and enter the following
22 Disciplinary Order:
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ORDER

IT IS HEREBY ORDERED that Physician's and Surgeon's Certificate No. G 38126, issued to Respondent John Compagno, M.D. is surrendered and accepted by the Medical Board of California.

1. Respondent shall lose all rights and privileges as a physician and surgeon in California as of the effective date of the Board's Decision and Order.

2. On or before the effective date of the Decision and Order, Respondent shall cause to be delivered to the Board his pocket license and, if one was issued, his wall certificate.

3. If Respondent ever files an application for licensure or a petition for reinstatement in the State of California, the Board shall treat it as a petition for reinstatement. Respondent must comply with all the laws, regulations and procedures for reinstatement of a revoked license in effect at the time the petition is filed, and all of the charges and allegations contained in Accusation No. 800-2017-033830 shall be deemed to be true, correct and admitted by Respondent when the Board determines whether to grant or deny the petition.

4. If Respondent should ever apply or reapply for a new license or certification, or petition for reinstatement of a license, by any other health care licensing agency in the State of California, all of the charges and allegations contained in Accusation No. 800-2017-033830 shall be deemed to be true, correct, and admitted by Respondent for the purpose of any Statement of Issues or any other proceeding seeking to deny or restrict licensure.

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Dated: February 21, 2018

XAVIER BECERRA
Attorney General of California
JANE ZACK SIMON
Supervising Deputy Attorney General

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Exhibit A

Accusation No. 800-2017-033830

1 XAVIER BECERRA
Attorney General of California
2 JANE ZACK SIMON
Supervising Deputy Attorney General
3 KEITH C. SHAW
Deputy Attorney General
4 State Bar No. 227029
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Attorneys for Complainant

FILED
STATE OF CALIFORNIA
MEDICAL BOARD OF CALIFORNIA
SACRAMENTO Sept 20 20 17
BY [Signature] ANALYST

7
8 **BEFORE THE**
9 **MEDICAL BOARD OF CALIFORNIA**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. 800-2017-033830

12 **John Compagno, M.D.**

A C C U S A T I O N

13 712 Alfred Nobel Dr.
Hercules, CA 94547

14 **Physician's and Surgeon's Certificate**
15 **No. G 38126,**

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

20 1. Kimberly Kirchmeyer (Complainant) brings this Accusation solely in her official
21 capacity as the Executive Director of the Medical Board of California (Board).

22 2. On or about September 25, 1978, the Medical Board issued Physician's and Surgeon's
23 Certificate Number G 38126 to John Compagno, M.D. (Respondent). The Physician's and
24 Surgeon's Certificate was in full force and effect at all times relevant to the charges brought herein
25 and will expire on July 31, 2018, unless renewed.

26 **JURISDICTION**

27 3. This Accusation is brought before the Board, under the authority of the following
28 laws. All section references are to the Business and Professions Code unless otherwise indicated.

1 A. Section 2227 of the Code provides in part that the Board may revoke, suspend for a
2 period not to exceed one year, or place on probation, the license of any licensee who has been
3 found guilty under the Medical Practice Act, and may recover the costs of probation monitoring.

4 B. Section 2234 of the Code, states:

5 “The board shall take action against any licensee who is charged with unprofessional
6 conduct. In addition to other provisions of this article, unprofessional conduct includes, but is not
7 limited to, the following:

8 “(a) Violating or attempting to violate, directly or indirectly, assisting in or abetting the
9 violation of, or conspiring to violate any provision of this chapter.

10 “(e) The commission of any act involving dishonesty or corruption which is substantially
11 related to the qualifications, functions, or duties of a physician and surgeon.”

12 C. Section 2305 of the Code provides, in part, that the revocation, suspension, or other
13 discipline, restriction, or limitation imposed by another state upon a license or certificate to
14 practice medicine issued by that state, or the revocation, suspension, or restriction of the authority
15 to practice medicine by any agency of the federal government, that would have been grounds for
16 discipline in California of a licensee under this chapter, shall constitute grounds for disciplinary
17 action for unprofessional conduct against the licensee in this state.

18 D. Section 141 of the Code provides:

19 “(a) For any licensee holding a license issued by a board under the jurisdiction of
20 the department, a disciplinary action taken by another state, by any agency of the
21 federal government, or by another country for any act substantially related to the
22 practice regulated by the California license, may be a ground for disciplinary action by
23 the respective state licensing board. A certified copy of the record of the disciplinary
24 action taken against the licensee by another state, an agency of the federal
25 government, or another country shall be conclusive evidence of the events related
26 therein.

27 “(b) Nothing in this section shall preclude a board from applying a specific
28 statutory provision in the licensing act administered by that board that provides for
discipline based upon a disciplinary action taken against the licensee by another state,
an agency of the federal government, or another country.”

29 E. Section 2236 of the Code states:

30 “(a) The conviction of any offense substantially related to the qualifications, functions, or
duties of a physician and surgeon constitutes unprofessional conduct within the meaning of this

1 chapter. The record of conviction shall be conclusive evidence only of the fact that the conviction
2 occurred.

3 “(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to
4 be a conviction within the meaning of this section and Section 2236.1. The record of conviction
5 shall be conclusive evidence of the fact that the conviction occurred.”

6 F. California Code of Regulations, title 16, section 1360, states:

7 “For the purposes of denial, suspension or revocation of a license, certificate or permit
8 pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or act shall be
9 considered to be substantially related to the qualifications, functions or duties of a person holding a
10 license, certificate or permit under the Medical Practice Act if to a substantial degree it evidences
11 present or potential unfitness of a person holding a license, certificate or permit to perform the
12 functions authorized by the license, certificate or permit in a manner consistent with the public
13 health, safety or welfare. Such crimes or acts shall include but not be limited to the following:
14 Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of,
15 or conspiring to violate any provision of the Medical Practice Act.”

16 **FIRST CAUSE FOR DISCIPLINE**

17 **(Discipline, Restriction, or Limitation Imposed by Another State)**

18 4. On June 7, 2017, the Oregon Medical Board (Oregon Board) issued an Order of
19 License Suspension (Order) regarding Respondent’s license to practice medicine in the State of
20 Oregon. The Order contains information that Respondent was convicted on April 11, 2017,
21 pursuant to his guilty plea in United States District Court, Northern District of California, of one
22 count of Tax Evasion (26 U.S. Code section 7201), and was sentenced to 37 months of
23 imprisonment by the United States Bureau of Prisons. Respondent’s sentence also included three
24 years of post-prison supervision, a \$75,000 fine, and a \$5,426,239 restitution payment to the
25 United States government. On June 2, 2017, Respondent began serving his sentence at a federal
26 correctional institution. A true and correct copy of the Order issued by the Oregon Board is
27 attached as Exhibit A.
28

5. Respondent's license to practice medicine in the State of Oregon is subject to the following terms pursuant to the Order: Respondent's medical license is suspended, and said suspension shall remain in effect until Respondent presents satisfactory evidence that he is no longer incarcerated and the Oregon Board is satisfied with due regard to the public interest that Respondent's privilege to practice medicine may be restored.

6. Respondent's conduct and the action of the Oregon Board, as set forth in paragraphs 4 and 5 above, constitute cause for discipline pursuant to sections 2305 and/or 141 of the Code.

SECOND CAUSE FOR DISCIPLINE

(Unprofessional Conduct: Criminal Conviction and Dishonest/Corrupt Acts)

7. The allegations of Paragraphs 2 through 4, above, are incorporated herein by reference as if fully set forth.

8. Respondent is subject to disciplinary action under sections, 2234, 2234, subdivisions (a) and (e), 2236 and California Code of Regulations, title 16, section 1360 based on the following circumstances.

9. Respondent was convicted on April 11, 2017 in United States District Court, Northern District of California, of one count of Tax Evasion (26 U.S. Code section 7201). Respondent admitted the following pursuant to his plea agreement:

- a. From at least 2005 to present, Respondent was the sole shareholder and CEO of John Compagno, M.D., Inc., West Coast Pathology Laboratory, Inc., and Histopathology Reference Laboratory, Inc., all corporations located in Hercules, California.
- b. Between the years 2005 through 2011, Respondent signed and approved corporate tax returns under penalty of perjury that included non-deductible expenses and caused the corporate tax return preparer to overstate expenses of the corporate returns during these years.
- c. By overstating the corporate expenses on the corporate tax returns for the years 2005 through 2011, Respondent's corporations owed the following additional taxes for each of these years: 2005 - \$138,623; 2006 - \$248,814; 2007 -

1 \$601,235; 2008 – \$737,848; 2009 – \$916,547; 2010 – \$646,063; 2011 –
2 \$569,930.

3 d. Respondent approved and signed under penalty of perjury his own personal tax
4 returns between the years 2006 through 2011, and intentionally omitted
5 constructive dividends he received from John Compagno, M.D., Inc., West
6 Coast Pathology Laboratory, Inc., and Histopathology Reference Laboratory,
7 Inc.

8 e. By omitting constructive dividends from his 2006 through 2011 individual
9 income tax returns, Respondent owed additional federal taxes for each of these
10 years: 2006 – \$118,812; 2007 – \$264,449; 2008 – \$307,732; 2009 – \$345,827;
11 2010 – \$287,558; 2011 – \$242,801.

12 f. As a result of Respondent knowingly and willfully filing false tax returns from
13 2005 through 2011, both corporate and personal, Respondent was ordered to
14 pay restitution to the federal government as part of his plea agreement in the
15 amount of \$5,426,239.

16 10. Respondent's April 11, 2017 criminal conviction in United States District Court to
17 Tax Evasion, is substantially related to the qualifications, functions and duties of a physician and
18 surgeon in that his conviction for Tax Evasion is directly associated with his medical practice and
19 corporations and demonstrates unprofessional conduct and dishonest and corrupt acts. As such,
20 his conviction constitutes a violation of Code section 2336/California Code of Regulations, title
21 16, section 1360 (criminal conviction) and section 2234 (unprofessional conduct).

22 **PRAYER**

23 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
24 and that following the hearing, the Board issue a decision:

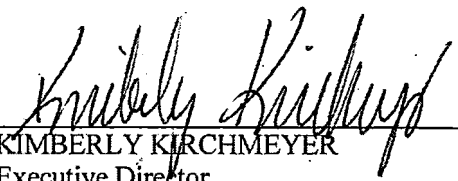
25 1. Revoking or suspending Physician's and Surgeon's Certificate Number G 38126,
26 issued to John Compagno, M.D.;

27 2. Revoking, suspending or denying approval of John Compagno, M.D.'s authority to
28 supervise physician assistants and advanced practice nurses;

1 3. Ordering John Compagno, M.D., if placed on probation, to pay the Board the costs of
2 probation monitoring; and

3 4. Taking such other and further action as deemed necessary and proper.

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5 DATED: September 20, 2017


KIMBERLY KIRCHMEYER
Executive Director
Medical Board of California
State of California
Complainant

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EXHIBIT A

BEFORE THE
OREGON MEDICAL BOARD
STATE OF OREGON

In the Matter of)
JOHN COMPAGNO, MD) ORDER OF LICENSE SUSPENSION
LICENSE NO. MD125514)

1.

The Oregon Medical Board (Board) is the state agency responsible for licensing, regulating and disciplining certain health care providers, including physicians, in the state of Oregon. John Compagno, MD (Licensee) is a licensed physician in the state of Oregon.

2.

On April 11, 2017, Licensee was convicted pursuant to his plea of guilty in United States District Court, Northern District of California, of one count of Tax Evasion (26 U.S. Code § 7201), and was sentenced to 37 months of confinement by the United States Bureau of Prisons. Licensee's sentence also includes three years of post-prison supervision, a \$75,000 fine, and a \$5,426,239 restitution payment to the United States government. On June 2, 2017, Licensee became an inmate of the Sheridan Federal Correctional Institution (a penal institution).

3.

ORS 677.225(1)(b) provides that a licensee's medical license is suspended automatically if the licensee is an inmate in a penal institution.

4.

The license of Licensee to practice medicine is suspended, pursuant to ORS 677.225(1)(b). This suspension will remain in effect until Licensee presents satisfactory

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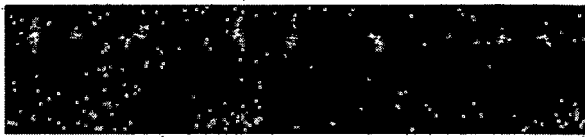
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1 evidence to the Board that Licensee is no longer incarcerated and the Board is satisfied with due
2 regard to the public interest that License's privilege to practice medicine may be restored.
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5 IT IS SO ORDERED this 7th day of June, 2017.

6 OREGON MEDICAL BOARD
7 State of Oregon



10 MICHAEL J. MASTRANGELO, JR, MD
11 BOARD CHAIR
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